

VZCZCXRO6334
RR RUEHGR
DE RUEHWN #0349/01 1502033
ZNR UUUUU ZZH
R 292033Z MAY 08
FM AMEMBASSY BRIDGETOWN
TO RUEHC/SECSTATE WASHDC 6507
INFO RUCNCOM/EC CARICOM COLLECTIVE
RUEHC/DEPT OF LABOR WASHDC

UNCLAS SECTION 01 OF 02 BRIDGETOWN 000349

SIPDIS

STATE FOR WHA/CAR AND DRL
USDOL FOR ILAB

E.O. 12958: N/A

TAGS: [ELAB](#) [ECON](#) [PGOV](#) [PREL](#) [BB](#) [XL](#)

SUBJECT: ST VINCENT LABOR UNIONS PRAGMATIC ON ECONOMIC
OUTLOOK

¶1. (u) Summary: St. Vincent's labor commissioner, public service union general secretary and the national workers movement general secretary were all upbeat in recent meetings, in contrast to the general downbeat assessment of the labor scene they portrayed six months earlier. The labor movement has started turning around and recovering some momentum and energy, particularly the National Workers Movement, which has signed new members. Labor leaders are sensitive to the conflict between securing higher wages for members and the impact on overall employment in a weak private sector, and expressed interest in additional training through U.S.-sponsored programs. End Summary

Meeting with Labor Commissioner

¶2. (u) Laboff met with the Labor Commissioner, Patrice Roberts, to go over current projects and priorities of the Department of Labor (DOL) during an April 13-18 visit to St. Vincent and the Grenadines (SVG). DOL is working on revising and updating occupational, safety and health (OSH) standards and is reviewing the CARICOM model OSH legislation in order to overhaul local OSH standards, which have not been updated to meet current needs. DOL partners with the National Insurance Service, the National Development Fund and the Center for Enterprise Development Unit. DOL is also working with the ILO on a Labor Marketing Program, which should commence mid May. Laboff mentioned that US OSHA is considering holding a regional workshop on OSHA standards, and the Commissioner welcomed the idea.

¶3. (u) Mrs. Roberts also noted that the DOL works with the Ministry of Social Development on skills training and career guidance. The US DOL has donated computers which they use in the school system in the area of career development. Speaking on the current labor situation, Mrs. Roberts noted that the Government employs about 60 percent of the workforce. She lamented the fact that there is no real private sector development and that there was no real Industrial activity in Campden Park, which is an industrial park designed to bring manufacturing to the island. It has not been that successful. She also noted that development of the private sector is essential for the future development of SVG.

Meeting with National Workers Movement General Secretary

¶4. (u) Noel Jackson, SecGen of the National Workers Movement, was relatively upbeat compared to last fall. He disclosed that there are currently over 700 members, which is a considerable increase in membership. The membership now includes the Stevedores, East Caribbean Metals, the Pilots Association, Insect Vector Control, the national Lotteries, the Irrigation Management Unit and the Friendly Societies (credit associations). Given the present economic situation, the union is looking for a 15 percent pay increase. However, Mr. Jackson lamented the rapid increase in food prices and foresees a regional backlash protesting

loss in earnings, insufficient increases in wages and raising food prices and cost of living. He does not believe that the cancellation of the Common External Tariff (CET) was the best solution at this time.

15. (u) Jackson noted that new members are joining with high expectations which add stress to the union movement. He added that increased wages may subsequently mean job cuts and decreased benefits, which he is trying to avoid. He commented that the union is in a difficult bind - trying to get increased wages for their members, which are urgently needed given the inflation rate, but at the same time, the private sector is stressed and may not be able to accommodate a large increase in wages. He said that there has to be renewed focus on agriculture, organic farming and diversification.

Meeting with Public Service Union (PSU) President

16. (u) Laboff met with Aubrey Burgion, President of the PSU, and his key deputies. The PSU possesses around 3500 members, about 25 percent of the workforce. The PSU pointed out that unemployment is about 25 to 35 percent of the population in St Vincent mainland, and much lower in the Grenadines. Burgion noted that the rural areas have a higher rate of unemployment; farmers are frustrated and many have left formal agriculture and moved into marijuana production, which is booming. Moreover, the informal sector is mushrooming with the weakening of the private sector and the agricultural sector. Kingston city, for example, is filled with street vendors of all sorts, particularly near the public market area. Anecdotal evidence indicates

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that many rural people have migrated to Kingston, which now has a fairly large illegal shanty town district.

COMMENT

17. (u) The private sector unions reflect the relative weakness of the private sector in SVG. It is encouraging, though, that the union is adding members, and appears to be pragmatic regarding how far they can go in requesting wage increases given the worsening economic conditions caused by rapid inflation which is negatively affecting average workers in SVG. Union officials stressed that they would welcome training by the AFL-CIO, which used to provide regular training programs. The Caribbean Congress of Labour provided training at one time but this has become infrequent. They would welcome the possibility of hosting a one week seminar, with trainers coming down from USDOL and the AFL-CIO. End comment.

HOWARD